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**PROPOSED COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	**CASE NO. 3:10-30561-hdh-11**
	§	
DLH Master Land Holding, LLC,	§	**CHAPTER 11**
	§	
Allen Capital Partners, LLC,	§	**Application for Joint**
Debtors.	§	**Administration Pending**
	§	

**DECLARATION OF RICHARD ALLEN OF
BACKGROUND FACTS REGARDING DEBTORS**

Pursuant to 28 U.S.C. § 1746, I, Richard Allen, make the following declaration:

ENTITY STRUCTURE

1. Debtors' primary business is the development of the real estate project known as the Dallas Logistics Hub located in Dallas County, Texas. In addition, Debtors have direct or indirect interests in non-filed entities which own portions of real estate projects in California and Kansas.

2. DLH Master Land Holding, LLC (DLH) is a successor by merger to numerous limited liability companies (LLCs) which were directly and/or indirectly owned by Allen Capital Partners, LLC (ACP), by relatives of Declarant or entities owned directly or indirectly by Declarant and/or his relatives. DLH holds title to the land being

developed as the Dallas Logistics Hub. A more detailed chart of ACP's ownership interest in DLH is attached as **Exhibit A.** DLH also owns a member interest in Midstate Hayes 184 Distribution Center, LLC, which owns California real estate.

3. ACP is successor by merger of four limited liability companies listed on **Exhibit B.**

4. DLH is successor by merger to more than seventy limited liability companies listed on **Exhibit C**.

5. The mergers, which had been in process for more than 2 years, dramatically simplified an excessively complex financial structure created by Debtor's prior President, and made the legal structure more consistent with the way DLH was being marketed, financed, and managed. Even with the consolidation and financial simplification, there are still a number of entities, some involving third party investors, which are owned wholly or in part by ACP. Although some are inactive shell entities, other entities have their own stable lender relationships which ACP has no desire or financial benefit to disturb. A list of non filed ACP entities is attached as **Exhibit D** together with a brief description of past or present activities. The DLH merger makes available to creditors more than $100,000,000 of net worth and a single simplified vehicle to attract new equity investors.

6. ACP and DLH operate using three non-filed entities owned by ACP.

(a) Allen Employment Services, Inc. (AES) is a wholly-owned subsidiary of ACP. AES is the entity actually employing the individuals who operate Debtors various business. AES has a

contract with Debtors under which Debtors advance payroll and employee benefits for payment by AES.

(b) Allen Development Partners, LLC, (ADP) is a wholly-owned subsidiary of ACP. ADP holds various membership interests in other LLCs which own, develop, and/or operate real estate in California as well as an indirect interest in DLH. Based upon restrictions in various LLC operating agreements which purport to terminate or modify rights in bankruptcy, ownership of those interests need to continue in a wholly-owned subsidiary of ACP; and

(c) Allen Development of Central California, LLC (ADCC) is a wholly-owned subsidiary of ACP which is used by ACP to provide management and development services for substantially all of ACP's limited liability companies. ADCC, whose offices are located in Visalia, California, provides the central accounting functions for all ACP entities and for DLH. ADCC also indirectly owns an interest in DLH and manages specified properties of DLH for a management fee. ACP, DLH and AES have a contract with ADCC in which DLH advances or reimburses ADCC for expenses made on ACP's behalf.

7. For purposes of ACP receipts and expenditures, AES, ADCC, and ADP are treated as pass-through entities. No significant monies are maintained by or at those entities.

DALLAS LOGISTICS HUB

8. Dallas Logistics Hub (also referred to as "DLH") is an approximately 6,000-acre multi-modal logistics park located 12 miles south of downtown Dallas. To date, it is estimated that there has been almost $500 million invested or committed to DLH and the immediately surrounding area (approximate) from public and private sources:

$ Millions	
$154	Infrastructure construction, bond projects, grants and earmarks
$125	Construction of the Union Pacific Intermodal Terminal
$ 85	Equity capital and loans from the Allen family
$ 55	Construction of a 175-acre build-to-suit for ADESA Auto Auction
$ 40	Construction of two speculative industrial buildings (827,000 sf)
$ 12	Land purchase by the BNSF Railway
$ 3	Construction of a 15-acre build-to-suit for Bridge Terminal Transport (Maersk)
$474	ESTIMATED TOTAL

9. When fully developed, DLH will be an Inland Port[1] adjacent to Union Pacific's Intermodal Terminal, a potential BNSF intermodal facility, four major highways (Interstates 20, 35, 45, and proposed Loop 9), and Lancaster Airport, which is slated for a runway extension. As an Inland Port, Debtors anticipate that DLH will develop with an emphasis on logistics-oriented, high-bay warehouses, supplemented by light manufacturing, office, service retail and residential.

10. At complete build-out, Debtors anticipate that DLH will contain more than 60 million square feet of vertical development, create more than 60,000 direct and indirect jobs, and may provide an estimated $68.5 billion economic impact for the region, equal to or greater than the economic impact from the development of the DFW airport.

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[1] For a discussion of the definition of an Inland Port, see **Exhibit E(I)** attached and incorporated into my Declaration by reference.

As such, the DLH project has received substantial support and infrastructure funding commitments from all levels of government.

11. More specifically, in addition to receiving infrastructure funding assistance from multiple governmental units as discussed below, the City of Dallas[2] has been actively working to facilitate development of DLH, along with other major industrial developments in the region, as a part of its International Inland Port of Dallas (IIPOD) initiative, for more than 5 years. The IIPOD is a public-private partnership involving a consortium of 12 municipalities and led by the City of Dallas; the entity is a key driver in making Dallas the nation's premier logistics and distribution center. IIPOD is a catalyst for Southern Sector investment, job growth and development of sustainable communities, with a goal of increasing the local tax base and employment. IIPOD, and Dallas Logistics Hub as a part of the IIPOD, has been identified as a key economic development focus for the City of Dallas. As a result, Dallas City Council members and staff have been involved from the very beginning, especially the Economic Development Committee.

12. The City of Dallas is very interested in taking advantage of its strategic location as an international trading hub and thereby ensuring development of a massive new economic engine in the less developed regions of South Dallas County. To accomplish that goal, Dallas has spent significant city funds in establishing political and trade relationships both in the U.S. and abroad.

[2] A discussion of the relevant aspects of the Dallas-Fort Worth metroplex and economy is attached as part of **Exhibit E(II)** and incorporated into my Declaration by reference.

13. In May, 2008, Ron Natinsky, the sitting Chairman of the Economic Development Committee of Dallas, Tennell Atkins, Dallas City Councilmember responsible for the IIPOD, Mayor Tom Leppert, and other city and community leaders visited six major trading centers in China to promote Dallas, their IIPOD initiative and the DLH as a part of the IIPOD. I was honored to be invited to accompany them on this trip to China and a similar trade mission undertaken by the same individuals in January of 2008 to Mexico City and Monterey, Mexico.

14. In Fall 2009, the City of Dallas obtained Federal approvals to create the City of Dallas Regional Center (CDRC) program which allows investors in the Dallas region (including 1056 acres of our DLH project) to potentially receive EB-5, or "Green Cards" for themselves and their families. We are currently working with Dallas's Economic Development Department on applications which would provide "below-market" interest rate loans to facilitate the development of our 1056 DLH acres within the City of Dallas.

15. The City of Dallas has been very supportive of Debtors' negotiations with China Supply and Logistics described below. The cities of Wilmer, Hutchins and Lancaster, each of whom have jurisdiction over portions of the DLH project, have also been very supportive of DLH.

16. Based upon a well established sales history of DLH land and recent appraisals provided by various lending institutions, we are confident that there is substantial value in DLH assets to eventually pay all allowed DLH claims in full and to dividend substantial amounts to ACP creditors. Therefore, it is our intent to execute an orderly plan to bring in one or more new equity investors to generate liquidity, to sell a

sufficient amount of DLH assets in an orderly manner to fully satisfy all of DLH's debts and claims and to dividend substantial amounts to ACP creditors.

17. The majority of unsecured claims against ACP arise from guarantees of DLH debt. Thus, orderly flexible payment of DLH creditors also reduces ACP debt. Of the approximately $137,000,000 ACP unsecured claims which will be scheduled, $73,800,000 represent ACP guaranties of DLH secured debt owed to Tier One Bank and Compass Bank and American Bank of Texas. (In addition, approximately $15.2 million worth of guaranties are secured by a pledge of certain ACP assets.) Bank of America holds approximately $49,000,000 of ACP guaranties of loans to ACP downstream investments, but $32,000,000 of those guaranties are contingent, with the underlying collateralized loan performing. $17,000,000 of those Bank of America guaranties represent a loan in default, but Bank of America holds a finished condo office building project in Sacramento, CA as collateral of a non-filed ACP affiliate. Bank of America has been working constructively with ACP's non filed subsidiaries. Thus, assuming performance by DLH, ACP economic exposure to unsecured claims ranges from approximately $14,000,000 to $30,000,000.

18. No secured lender, including Compass Bank (formerly Guaranty Bank), has posted any real or personal property collateral for foreclosure. The numerous DLH Seller Finance creditors were cooperating with Debtors, as was American Bank of Texas. Compass Bank, which acquired the assets of Guaranty Bank, has a clause in its security agreement which would permit it to foreclose the equity interests of ACP and others on five (5) days' written notice. Although the assertion in that security agreement that a sale on five (5) days' written notice would be commercially reasonable is factually ridiculous.

Debtors could not take the risk that a foreclosure of such equity interests might wipe out their substantial equity and operating control of DLH. Thus, although no notice of foreclosure has been served by any of the more than 20 secured creditors, Debtors could not take the risk of an aggressive "quicky" foreclosure. Because of the large number of secured creditors, ACP and DLH need Chapter 11 protection to stabilize their financial structure for up to five years.

19. From the proposed Debtor in Possession (DIP) secured line of credit, Debtors should have financing sufficient to support their development and marketing activities during these Chapter 11 proceedings even assuming that no closings of sales occur during the first six months of 2010. However, Debtors do not have the funds to pay interest and principal on Debtors' obligations as they come due pursuant to the various terms of those obligations. Debtors have been unable to identify any alternative sources of financing which would allow Debtors to restructure their obligations outside of Chapter 11 and have been only able to obtain DIP financing from a single source, namely members of Affiant's family and their affiliated entities. Even Affiant's friends, who advanced funds previously for payments to Guaranty Bank (now Compass Bank) and to fund operations, were unwilling to make further advances. As a result, Debtors come to this Court seeking time to allow for orderly marketing and further development and disposition of this project pursuant to the master plan for DLH.

20. The DLH benefits from the convergence of multiple major interstate trucking highways, multiple rail lines, a growing local airport, all located within the third largest industrial market in the Nation. For that reason, the DLH is uniquely positioned

to serve as one of the primary national hubs for the distribution of goods throughout the Central and Eastern United States.

21. A pivotal part of the accessibility of DLH is its proximity and access to four of Dallas/Fort Worth's primary interstate highways, connecting the DFW Metroplex and DLH to the greater transportation thoroughfares of the southern United States:

- Interstate 20…the primary east-west trucking corridor for the southern U.S., connecting Atlanta to Los Angeles, is the northern boundary of DLH.

- Interstate 35…the NAFTA Trade Corridor, connecting Mexico to Canada, is located approximately 3 miles to the west of DLH.

- Interstate 45…the direct route to the Port of Houston is the eastern boundary of DLH.

- Interstate 30… the direct route to Little Rock, Memphis and the northeastern US is located approximately 9 miles north of DLH.

- Planned Loop 9…the planned multi-billion dollar highway and rail corridor will run along the southern boundary of DLH.

22. With more than 1,774 acres owned by DLH designated under Foreign Trade Zone 39, DLH is strategically positioned for tenants to receive, deliver and/or transload thousands of shipping containers each day. Currently, these import containers predominantly originate from the Pacific Rim Countries and move in-bound into the Union Pacific Dallas Intermodal Terminal ("UPDIT") after entering the country primarily via the Western U.S. Ports. Long term, with the completion of the Panama Canal expansion, these trade routes will be expanded to include the Port of Houston and various ports in Mexico .

23. The UPDIT adjacent to the land assemblage became fully operational in October, 2005. The +/-360-acre intermodal terminal is located on the eastern boundary

of DLH, just 12 miles south of downtown Dallas within the city limits of Hutchins and Wilmer, adjacent to Interstate Highway 45.

24. Designed to support the growing intermodal volume in the region, the intermodal terminal is in a central location which provides quick access to the enormous consumer base located in the Dallas/Ft. Worth Metroplex and serves as the "gateway" for international goods to the major population centers in the Central and Eastern United States. Trucks can gain access to the intermodal terminal via a high-tech, biometric secured AGS (automated gate system) entrance. This technology allows a trucker to process a container through the gate in 30-90 seconds, as compared to a national average of four minutes.

25. Built with quality in mind by Union Pacific Railroad, this eco-friendly, safe, secure and well-lit intermodal facility provides nearby highway and interstate access to maximize trucker convenience and reduce transportation costs to the end user. It predominantly services the Union Pacific Intermodal trains to and from the West Coast, and CSX Intermodal trains to and from the East Coast.

26. The intermodal facility is currently capable of handling approximately 365,000 lifts per year. Although, in 2009, with the decrease in foreign trade, it is estimated that this facility handled +/- 300,000 lifts. Approximately 97% of the containers arrive directly from the Ports of Los Angeles and Long Beach. At full build-out, Union Pacific has stated that the intermodal facility will have the capacity to process up to 600,000 lifts per year.

27. DLH is also adjacent to the Lancaster Regional Airport, which is currently undergoing an update to its Airport Master-Plan as described below. Covering

approximately 300 acres, the Lancaster Municipal Airport lies immediately adjacent to the DLH land assemblage. Currently, the airport consists of one 5,000' asphalt runway, capable of accommodating single engine as well as large corporate aircraft. In 2006, the FAA and TxDOT awarded Lancaster a grant for an extension of the existing runway to 6,500', with additional funding, subject to warrant, to extend the runway to 8,000'. The design and permitting of the runway is now complete. Construction commenced in December 2009 and is scheduled to be completed in September 2010.

28. The City of Lancaster has contracted with Barnard Dunkelberg & Company, a very well respected airport consulting firm, to launch an airport master planning study to: (i) identify the long range airport development needs for the airport and the adjacent communities, (ii) maximize the efficiency, effectiveness and safety of existing and planned aviation assets, and (iii) create a program for realistic implementation, including consideration of potential air-cargo activity. This study will include components focused on runway design and configuration, on-site facility development, and a market feasibility study to determine which sectors of the aviation business are suitable and possible for Lancaster and DLH.

29. DLH received Entitlements (annexation, zoning, and master planning), development agreements, and other municipal approvals for more than 82% of the acreage of DLH in 2007 and 2008. The land which is entitled lies within the cities of Dallas, Hutchins and Lancaster. The land not entitled (+/- 18%) lies within the city limits and extraterritorial jurisdiction (ETJ) of the City of Wilmer. All forms and applications have been completed to start this entitlement process, subject to the payment of all

required filing fees. As a result, DLH is now, for the most part, zoned for mixed-use development.

30. DLH is planned as a "green" park and includes the first two Gold LEED-certified core & shell industrial buildings in North Texas and the ADESA Auto Auction facility was recently certified as a Silver LEED – certified campus facility.

31. The largest potential users of DLH are large retailers who receive massive quantities of imported goods through the rail intermodal facilities located uniquely within or adjacent to DLH. These types of users could save millions of dollars annually in transportation costs by locating next to the arrival point of their goods, the operational Union Pacific and planned BNSF Railway intermodal facilities.

INFRASTRUCTURE

32. Since 2005, the area in and around DLH has received in excess of $113 million in completed public infrastructure projects, municipal bond projects, grant funding commitments and earmarks from various governmental entities for public infrastructure development.

33. DLH is located within the jurisdictions of Dallas, Wilmer, Hutchins and Lancaster. As a result, achieving this governmental support took an extraordinary amount of time, negotiation and effort. The funding for these public infrastructure projects has added tremendous value to the development. These funds will finance most of the major arterial road improvements on the perimeter of DLH and provide vital links of the internal areas of DLH to the interstate highways.

34. The following is a summary table of the public funding committed to date by source:

PUBLIC FUNDING COMMITTED FOR
INFRASTRUCTURE IMPROVEMENTS

Funding Entity	Approximate Funding Committed ($ Millions)
City of Dallas	$ 50.01
City of Hutchins	7.98
Dallas County	7.91
FHWA	10.60
NCTCOG (MPO)	6.10
TXDoT	31.11
TOTAL ESTIMATED	$ 113.71

In addition to the funds and sources above, the City of Dallas and Debtors have been working with the cities of Hutchins, Lancaster and Wilmer, to secure funding for major water and sanitary sewer infrastructure projects, primarily for DLH, through US Congresswoman Eddie Bernice Johnson, for a $40 million appropriation from the 2007 Water Resources Development Act (”WRDA”). The WRDA funds carry a requirement for a local match of 25%. Debtors believe, based on conversations with the Congresswoman and her staff, along with public works staff of Dallas, Hutchins, Lancaster and Wilmer, that all of these funds should be appropriated and locally matched. A table of the funds which should be available by city and funding year is set forth below:

WATER RESOURCE DEVELOPMENT ACT 2007

CITY	FUNDING YEAR	AMOUNT[3] ($ Millions)
HUTCHINS	2010	$ 3.23
	2011	5.84
	2012	10.17
	2013	5.73
		$ 24.97
LANCASTER	2010	$ 0.78
	2011	0.78
	2012	2.08
	2013	3.38
		$ 7.02
WILMER	2010	$ 7.15
	2011	3.25
	2012	5.06
	2013	8.01
		$ 23.47
TOTAL	2010	$ 11.16
	2011	9.87
	2012	17.31
	2013	17.12
		$ 55.46

35. To further enhance the funding of public infrastructure, Debtors have pursued the creation of various public-private partnerships ("PPP") with the cities of Hutchins, Lancaster and Wilmer. These PPPs include tax increment reinvestment zones (TIRZ), reimbursement agreements, and other public finance vehicles available in Texas.

[3] These amounts include +/- $15.46MM in required local matches by the cities.

Draft Preliminary Project & Financing Plans for TIRZs have been submitted to the cities of Hutchins and Lancaster.

HISTORICAL BACKGROUND

36. Debtors are affiliated with various limited liability companies and limited partnerships which have been collectively described as The Allen Group ("TAG").

37. I founded entities doing business as TAG which conducted commercial real estate operations in 1991. Those original TAG entities and the current members of the group developed, owned and managed in excess of a billion dollars worth of high-end commercial properties throughout the United States.

38. In the early 1990's, TAG began acquiring strategic land positions throughout the Western United States, developing office and industrial properties. In 1997, most of these properties were acquired by Kilroy Realty (NYSE:KRC), and I subsequently served for a period of time on the KRC Board of Directors as a member of the Executive Committee.

39. After the sale to KRC, I started two new types of real estate development: Allen Development (industrial parks) and Allen Homes (condominiums, single-family homes, and apartments). In 2001, the Allen Homes entities were sold to San Diego's McMillan Homes. From 1997-2006, Allen Development entities developed two of California's major rail-served industrial parks: International Trade & Transportation Center and MidState 99 Distribution Center. Non-filed subsidiaries of ACP still own portions of those developments.

40. In 2003, TAG, through predecessors to Debtors, began its quest to buy strategic land positions around the new Union Pacific Intermodal facility in Dallas, Texas, which resulted in the creation of DLH.

41. At that time, the Union Pacific Intermodal facility had not yet begun construction and was considered speculative.

42. With a growing knowledge of the impact that the planned Union Pacific Intermodal would have on the region, TAG began assembling land adjacent to the new intermodal terminal. Because of its timing, TAG was able to achieve reasonable seller financing terms and pricing on its land acquisition.

43. The land assemblage for DLH was completed in 2006 and 2007.

DLH TRANSACTIONS AND CURRENT PIPELINE

44. Marketing of DLH for sale and lease to users began in 2008. During 2008, 620 acres of land were absorbed through land sales, options, build-to-suits and/or vertical speculative developments at an average strike price of $1.77 per square foot. Today, approximately 5,538 acres remain undeveloped, including 164 acres which is under option to the BNSF Railway.

Included in these totals were the following:

Land Sales		**Build to Suit Projects**	
BNSF Rail Road	198 acres	ADESA Auto Auction	175 acres
ONCOR Electric	9 acres	Bridge Terminal Transport	15 acres
Spec Buildings		**Land Under Option**	
4800 Langdon Road	38 acres	BNSF 164 acres	
4900 Langdon Road	14 acres		

45. In addition to the activity above, TAG was successful in executing a lease for +/-313,000 sq ft of its affiliate's first spec building located at 4800 Langdon Road, Dallas to Advanced H2O, LLC, reportedly, the largest private label water bottling company in the US, for a production and distribution facility.

46. The sale of land and the land under option to BNSF Railway Company is critically important as, once this site is operational, DLH will be the only logistics park in North America with two intermodal facilities operated by the two largest freight carriers in the United States. In conjunction with the sale, the land was re-zoned for a future intermodal facility.

47. In September of 2008, predecessor entities of DLH completed construction on the first two spec industrial buildings at DLH totaling more than 825,000 sq. ft. These buildings have been constructed using the parameters set forth by the US Green Building Council's LEED certification program. In September 2009, the buildings received LEED-CS (Core & Shell) Gold certification. These are the first industrial facilities in North Texas to earn such certification.

48. In the Fall of 2008, predecessor entities of DLH also commenced construction on the first two build-to-suit projects in DLH; a container yard for Bridge Terminal Transport, a division of Maersk Inc., and a +/-175 acre auto auction facility for ADESA, Inc., the second largest auto auction firm in the U.S. In January, 2010 the ADESA facility received LEED-Campus Silver certification.

49. Prior to filing Chapter 11, Debtors were negotiating with a China based logistics company which owns or operates terminal facilities in several of the major provinces in China. During that company's last visit, it made a very specific request to

purchase all of the "entitled and ready for development" DLH land within the City of Dallas, approximately 1053 acres. Debtors' management has provided a proposal and several counter proposals regarding the identified parcel of land. Negotiations with respect to those parcels or a larger parcel are ongoing.

50. In early January 2010, Debtors commenced preliminary discussions with various parties potentially interested in investing as much as $50 million of new equity into DLH and ACP. The discussions are too preliminary to disclose the identity of the potential investor groups at this time; however, each private U.S. based group is extremely strong financially and has more than sufficient assets to accomplish such an investment pursuant to a plan of reorganization.

CURRENT ECONOMICS

General Economy

51. According to the U.S. Department of Commerce's Bureau of Economic Analysis, "real gross domestic product increased at an annual rate of 2.2 percent in the third quarter of 2009." Among other things, "The upturn in real GDP in the third quarter primarily reflected upturns in personal consumption expenditures (PCE)…Real personal consumption expenditures increased 2.8 percent in the third quarter, in contrast to a decrease of 0.9 percent in the second."

52. In its November 2009 Summary of Commentary on Current Economic Conditions (Beige Book), the Federal Reserve reported, "Consumer spending was reported to have picked up moderately since the last report for both general merchandise and vehicles. Most Districts indicated that non-auto retailers were holding lean inventories going into the holiday season." This combination of increased spending and

low inventory levels will result in increased demand for the logistics/supply chain industry.

Logistics/Transportation

53. Transportation is a leading economic indicator of particular importance to emphasis on real estate solutions for the logistics and supply chain industries. We are heartened by the following reports.

54. In its weekly Carloads and Intermodal Traffic Report, Union Pacific Railroad reported a 20% traffic increase for Week 52 of 2009 versus 2008. In the same report, Union Pacific reported total intermodal containers were up 7% for the fourth quarter of 2009 versus the same period in 2008.

55. Morgan Stanley's Truckload Freight Index is showing strength early in 2010. The index has risen from 2.06 to 2.13 in the first week of January. With the amount of capacity in the market, the rising index is a reflection of a demand returning to the market.

56. After more than two and a half years of year-over-year declines, import cargo volume at major American retail container ports is expected to see three straight months of gains in early 2010, according to the monthly Port Tracker report issued by the National Retail Federation and HIS Global Insight.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 25, 2010.

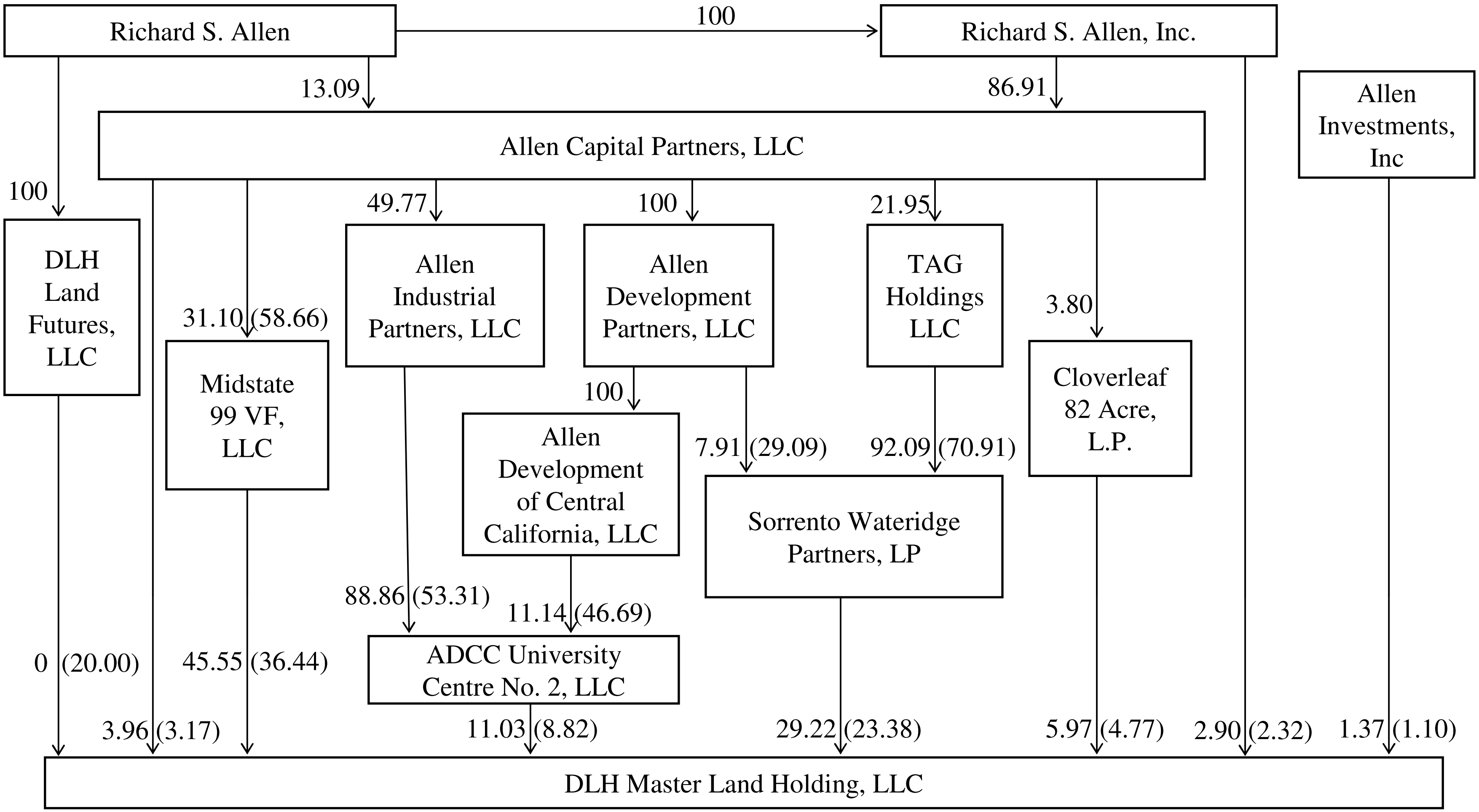
Signature:____________________________

Richard S. Allen

EXHIBIT A

ACP'S OWNERSHIP INTEREST IN DLH

Exhibit A - Summary of ACP and DLH Relationship



<u>Notes</u>

When the ownership is expressed as 2 percentages the form x (y), that means the entity owns x% of the capital of the subsidiary and has a y% share in the future income of that subsidiary. The profit percentages (y) in the upper tier entities will apply to future profits only to the extent of Series B Capital in DLH Master Land Holding, LLC. Once all of Series B Capital has been returned, all future profits will be distributed from the upper tier entities based on the capital percentages (x). Distributions of future profits from DLH Master Land Holding, LLC will still be based on (y).

EXHIBIT B

PREDECESSORS TO MERGED INTO ACP

Allen Development, Inc., a California corporation

Allen Development Limited Partner, LLC, a Delaware Limited Liability Company,

Allen Development of Southern California, LLC, a Delaware Limited Liability Company

EXHIBIT C

PREDECESSORS TO DLH MERGED ENTITIES

The following entities were merged into the Debtor in December, 2009:

Allen Development of Texas, LLC, a Delaware limited liability company
DLH Dallas Langdon 193, LLC, a Delaware limited liability company
DLH Dallas Langdon 634, LLC, a Delaware limited liability company
DLH Hutchins Wintergreen 178, LLC, a Delaware limited liability company
DLH Master Parcel #69, LLC, a Delaware limited liability company
DLH Master Parcel #108-111, LLC, a Delaware limited liability company
DLH Master Parcel #156-157, LLC, a Delaware limited liability company
DLH Master Parcel #16-18, LLC, a Delaware limited liability company
DLH Master Parcel #161-164, LLC, a Delaware limited liability company
DLH Master Parcel #22-23, LLC, a Delaware limited liability company
DLH Master Parcel #24-25, LLC, a Delaware limited liability company
DLH Master Parcel #35-38, LLC, a Delaware limited liability company
DLH Master Parcel #39-40, LLC, a Delaware limited liability company
DLH Master Parcel #42-52 (444.75 Acres), LLC, a Delaware limited liability company
DLH Master Parcel #42-52, LLC, a Delaware limited liability company
DLH Master Parcel #53, 64-65, LLC, a Delaware limited liability company
DLH Master Parcel #55-58, LLC, a Delaware limited liability company
DLH Master Parcel #59-61, LLC, a Delaware limited liability company
DLH Master Parcel #67-68, LLC, a Delaware limited liability company
DLH Master Parcel #70-72 (131.90 Acres), LLC, a Delaware limited liability company
DLH Master Parcel #70-72, LLC, a Delaware limited liability company
DLH Master Parcel #80-83, LLC, a Delaware limited liability company
DLH Master Parcel #85-89, 97, 139, LLC, a Delaware limited liability company
DLH Master Parcel #93-95, LLC, a Delaware limited liability company
DLH Master Parcel #98-99, LLC, a Delaware limited liability company
DLH Master Parcel #10, LLC, a Delaware limited liability company
DLH Master Parcel #104, LLC, a Delaware limited liability company
DLH Master Parcel #106, LLC, a Delaware limited liability company
DLH Master Parcel #11, LLC, a Delaware limited liability company
DLH Master Parcel #114, LLC, a Delaware limited liability company
DLH Master Parcel #115, LLC, a Delaware limited liability company
DLH Master Parcel #13, LLC, a Delaware limited liability company
DLH Master Parcel #14, LLC, a Delaware limited liability company
DLH Master Parcel #140, LLC, a Delaware limited liability company
DLH Master Parcel #15, LLC, a Delaware limited liability company
DLH Master Parcel #177, LLC, a Delaware limited liability company
DLH Master Parcel #188, LLC, a Delaware limited liability company
DLH Master Parcel #19, LLC, a Delaware limited liability company
DLH Master Parcel #197, LLC, a Delaware limited liability company

DLH Master Parcel #21, LLC, a Delaware limited liability company
DLH Master Parcel #198-200, LLC, a Delaware limited liability company
DLH Master Parcel #20, LLC, a Delaware limited liability company
DLH Master Parcel #26, LLC, a Delaware limited liability company
DLH Master Parcel #27, LLC, a Delaware limited liability company
DLH Master Parcel #28, LLC, a Delaware limited liability company
DLH Master Parcel #29, LLC, a Delaware limited liability company
DLH Master Parcel #3, LLC, a Delaware limited liability company
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DLH Master Parcel #7, LLC, a Delaware limited liability company
DLH Master Parcel #78, LLC, a Delaware limited liability company
DLH Master Parcel #79, LLC, a Delaware limited liability company
DLH Master Parcel #8, LLC, a Delaware limited liability company
DLH Master Parcel #84, LLC, a Delaware limited liability company
DLH Master Parcel #87, LLC, a Delaware limited liability company
DLH Master Parcel #9, LLC, a Delaware limited liability company
DLH SPE A, LLC, a Delaware limited liability company
DLH SPE B, LLC, a Delaware limited liability company
LPKC 12-16, 18 South Tail, LLC, a Delaware limited liability company
LPKC 1-5, 17, LLC, a Delaware limited liability company
LPKC 6-11, LLC, a Delaware limited liability company
LPKC North Tail, LLC, a Delaware limited liability company

EXHIBIT D - ALLEN CAPITAL PARTNERS, LLC NON-FILED SUBSIDIARIES

Entity Name	Purpose of Entity	ACP Direct or Indirect Ownership
Entities owning completed buildings - some fully leased others partially leased or vacant.		
Midstate Hayes Building No.5, LLC	Owns an industrial building in Visalia, CA	40.00%
Midstate Hayes Building No.6, LLC	Owns an industrial building in Visalia, CA	40.00%
ADCC Visalia Office Partners, LLC	Owns and office building in Visalia, CA	75.00%
ADI Coast Partners, LP	Owns an industrial building in Visalia, CA	5.00%
Tucker B Partners, LLC	Owns an industrial building in Visalia, CA	20.00%
ITTC Building No. 6, LLC	Owns an industrial building in Shafter, CA	55.00%
Kelly Corporate Center IA, LLC	Owns office building in Carlsbad, CA	54.29%
Kelly Corporate Center IIA, LLC	Owns office building in Carlsbad, CA	47.91%
Kelly Corporate Center IIC, LLC	Owns office building in Carlsbad, CA	47.91%
River Plaza Partners II, LLC	Owns office condo project and 5 acres of land in Sacramento, CA	50.00%
Entities owning land held for development or sale		
Midstate 99 Distribution Center, LLC	Owns 117 Acres of Industrial Land in Visalia, CA	55.00%
BF Airport Partners, LLC	Owns 107 acres in Bakersfield CA	50.00%
Rosedale Land Ventrure, LLC	Owns 87 Acres in Bakersfield CA	50.00%
ITTC Land, LLC	Owns 277 acres in Shafter CA	25.00%
DLH Master Parcel #62-63, LLC	Owns 50 acres in DLH	100.00%
Commercial Developer Entities		
Allen Development of Central CA, LLC	Development and Management Services for CA and DLH	100.00%
Allen Development of ITTC,LLC	Developer for the ITTC Industrial Park	100.00%
Internatial Trade & Transportation Center, LLC	Developer for the ITTC Industrial Park	100.00%
Allen Development of Sacramento, LLC	Developer of Sacramento Projects	100.00%
The Allen Group - Kansas City, LLC	Developer of the Kansas Industrial Park	100.00%
Various other types of entities - mostly holding companies		
Allen Development Partners, LLC	Holding Company, owns ADCC, ADS and ADITTC	100.00%
Allen Employment Services, Inc.	Employer	100.00%
Allen Homebuilding Partners, LLC	Holding Company, owns AHCC, AHN, AHIV, AHSC	100.00%
Allen Industrial Partners, LLC	Capital Investor in CA Industrial Parks	25.00%
Central Valley Holdings, LLC	Capital Investor in residential projects	100.00%
TAG Holdings, LLC	Capital Investor in DLH	28.12%
Allen Rosedale Land I, LLC	Holds the promote interest in Rosedale Land Venture I	100.00%
ITTC Building, LLC	Holding company for ITTC Buildings	55.00%
ADI River Plaza, LLC	Holds the promote interest in River Plaza Partners II, LLC	50.00%
Kelly Corporate Center I, LLC	Holding Company for Kelly I building and holds an interest in Kelly II holding company	54.29%
Kelly Corporate Center II, LLC	Holding Company for Kelly IIA and IIC Buildings	47.91%

EXHIBIT D - ALLEN CAPITAL PARTNERS, LLC NON-FILED SUBSIDIARIES

Entity Name	Purpose of Entity	ACP Direct or Indirect Ownership
Commerical Entities - no longer hold any real property assets. Buildings have been sold, only minor cash balances retained for final tax, accounting etc. Entity is kept alive for 2 years following year of sale.		
Midstate 99 Distribution Building No. 2, LLC	No activity - previously owned a building	55.00%
Midstate Hayes Building No.1, LLC	No activity - previously owned a building	55.00%
Midstate Hayes Building No.2, LLC	No activity - previously owned a building	55.00%
Midstate Hayes Building No.3, LLC	No activity - previously owned a building	55.00%
Midstate Hayes Building No.4, LLC	No activity - previously owned a building	40.00%
ADSC Diamante, LLC	Previously owned a building in San Diego	60.00%
Old Residential Entities - no longer hold any real property assets. Only have minimal cash balances, no other assets or liabilities. Entity is kept alive for 10 years after last home sale.		
Allen Homes of Central California, LLC	Developer of central CA residential projects	100.00%
Allen SJV Housing Investors I, L.P.	Capital investor in central CA residential proejcts	6.25%
Allen SJV Housing Investors II, L.P.	Capital investor in central CA residential proejcts	6.25%
Craftsman Collection at Claremont Grove Holding, LLC	Holding company for residential project	100.00%
Craftsman Collection at Del Lago Holding, LLC	Holding company for residential project	100.00%
Craftsman Collection at Glennview Holding, LLC	Holding company for residential project	25.00%
Craftsman Collection at Linwood Ranch Phase III Holding, LLC	Holding company for residential project	25.00%
Craftsman Collection at Selma Holding, LLC	Holding company for residential project	100.00%
Craftsman Collection at Sierra Ranch Holding, LLC	Holding company for residential project	100.00%
Craftsman Collection at Sierra Ranch Phase IIC Holding, LLC	Holding company for residential project	25.00%
Heritage at Del Lago Holding, LLC	Holding company for residential project	100.00%
Hunters Crossing Holding, LLC	Holding company for residential project	25.00%
MAH Linwood Ranch Holding, LLC	Holding company for residential project	100.00%
MAH Rancho Santa Barbara Holding, LLC	Holding company for residential project	100.00%
MAH Suncrest Holding, LLC	Holding company for residential project	100.00%
Allen Homes of Imperial Valley, LLC	Developer of Imperial VAlley residential projects	100.00%
AHIV Holding, LLC	Holding company for residential project	70.00%
Allen Homes of Nevada, LLC	Developer of Nevada residential projects	100.00%
Aleln Construction Services, LLC	Developer of Nevada residential projects	100.00%
Altair at Green Valley, LLC	Developed and sold condos in Las Vegas	55.00%
Covington Crossing, LLC	Developed and sold condos in Las Vegas	55.00%
Rancho Santa Fe at Mesquite, LLC	Developed and sold homes in Mesquite	47.50%
Sedona at Mesquite, LLC	Developed and sold homes in Sedona	55.00%
Town Center Associates, LLC	Developed and sold condos in Las Vegas	27.50%
ACP/SCH Holdings, LLC	Holding company for residential project	80.00%
Allen Homes of Southern CA, LLC	Developer of Southern CA residential projects	100.00%
Allen Hermosa Homes Holding, LLC	Holding company for residential project	59.60%
SCH Torrey II, LLC	Developed and sold homes in Southern CA	32.00%
SCH Torrey III, LLC	Developed and sold homes in Southern CA	75.00%

EXHIBIT E – INLAND PORT AND DFW METROPLEX

I. DEFINITION OF AN INLAND PORT

1. During the past 40 years, the United States has experienced an unprecedented growth in global trade volume with both established and emerging trade partners. This increase in the shipment of manufactured goods and raw materials has played a central role in the growth of international trade and economic globalization, forcing the United States to search for faster and more efficient ways to move goods throughout the country. Debtors' management believes that one of the most promising solutions to the challenges posed by this growth in trade is the development of Inland Ports.

2. Because of this growth in imports, seaport facilities like L.A./Long Beach and their surrounding warehouse and logistics facilities have been heavily impacted, leaving limited room for future capacity. Add in the high costs of real estate, safety, pollution issues and increasing traffic congestion, it is apparent that imported goods can no longer be efficiently processed in the immediate vicinity of their port of entry. As a result, much of this freight is being transferred directly from ships to rail cars at the docks and transported to Inland Port facilities for further processing.

3. DLH is positioned to be one of the largest and most successful of these Inland Ports.

4. The process involved in sourcing, handling and transporting of goods between raw material suppliers, manufacturers, retailers and consumers across the world is remarkable in both its scale and sophistication. According to a report produced by

Heitman Real Estate Investment Management Firm, an Inland Port is characterized by seven (7) key attributes:

- Access to major container seaport
- Intermodal facility serviced by a Class I railroad
- Minimum of 1,000 acres of total land
- Foreign Trade Zone status
- Strong local market access (e.g. near a major metropolitan area)
- Nearby access to north/south and/or east/west interstate highways
- Access to a strong local labor pool

5. A Foreign Trade Zone is an area inside the U.S that is designated outside Customs Territory. Merchandise may be brought into a Foreign Trade Zone (FTZ) without a formal U.S. customs entry, without payment of customs duties or excise taxes, without being subject to quota limitations and other import restrictions. Any foreign or domestic merchandise not otherwise prohibited by law, may be stored in a Foreign Trade Zone for an unlimited period of time. Merchandise may be opened, examined, mixed, assembled, sorted, cleaned, labeled or repackaged, while it is stored in a FTZ. Imported material avoids any Custom duties on re-exports, waste, scrap, yield loss materials, and on sales to companies operating in other foreign trade zones. DLH currently includes 1,700 acres of approved FTZ, which can be transferred to provide FTZ benefits to any acreage throughout DLH (i.e. the FTZ designation can be transferred to cover 1,700 of the approximately 6,000 acres) with the proper administrative approvals.

6. Other organizations, such as the Texas Transportation Institute and the Center for Transportation Research at the University of Texas, have defined an Inland

Port as any site meeting the above seven criteria which is located away from traditional land, air and coastal borders. Inland Ports facilitate and process international trade through strategic investment in multi-modal transportation infrastructure, and by promoting value-added services as goods move through the supply chain.

7. Inland Ports facilitate the movement of large volumes of goods from congested seaports to major population centers. It has been estimated that more than 65 percent of the containerized freight arriving at West Coast seaports is consumed in markets East of the Mississippi River.

8. Thus, as processing moves away from the various ports, the majority of containers arriving at the West Coast ports are bound for the Central and Eastern United States markets via double stack trains. With a focus on maximizing speed and minimizing costs, rail is the most fuel efficient way to move goods to the major Inland Port facilities. As the demand for imports overloads the U.S. seaports' capacity, the nation's leading industrial development companies are recognizing that a wider national solution for the future is urgently needed.

9. More specifically, the U.S. Class 1 railroads recognize the constraints facing the ports and are investing billions of dollars annually to significantly increase the capacity of the primary rail corridors. Recently, Union Pacific Railroad (UP) and Burlington Northern Santa Fe Railway (BNSF) have finished double tracking their primary rail routes from the Ports of Los Angeles and Long Beach to gateway cities like Dallas. This additional capacity expedites movement of containers from the seaports to the Inland Ports. As a result, import shipments can now make their way from crowded seaports to new state-of-the-art Inland Ports via dedicated double stack trains moving

along the main line rail corridors. From there, these newly developed Inland Ports facilitate the transfer of containers from rail to truck, which provides the final mile of delivery to the designated distribution center.

II. DFW METROPLEX

1. The Dallas/Fort Worth Metroplex was the fastest growing area in the United States since 1990, with nation-leading employment and population growth. Nearly 760,000 jobs were created locally from 1990 to 2000, as the population increased by 1.2 million people. From 2006 to 2007, the Metroplex led the nation in population growth. Efforts to diversify the economy have come to fruition, as the region is considered one of the most diverse in the country.

2. Dallas/Fort Worth is a vital link in the global supply chain with many manufacturing and industrial distribution firms located here. DFW is among the top three largest industrial markets in the country. DFW's central U.S. location provides convenient access to North America's five largest business centers: New York, Chicago, Los Angeles, Mexico City and Toronto. The region's location in the central time zone, one hour behind the East Coast and two hours ahead of the West, extends the working day for companies doing business on both coasts. Factors that make DFW an ideal industrial market include: DFW International Airport and Alliance Airport; numerous interstate highway systems; proximity to national employment centers; a pro-business climate; and advantageous business-tax structure with the availability of the Triple Freeport tax exemption.

3. The DFW metropolitan area is home to over 10,000 corporate headquarters making the Metroplex the largest corporate headquarter concentration in the

United States. Only the New York and Chicago metropolitan areas have more Fortune 500 firms than the DFW Metroplex.

4. The DFW economy is one of the most diverse in the country with major players in key long-term growth sectors including transportation, aerospace/defense, financial services, high-tech electronics, retail and wholesale trade. Even during the latest downturn in the national economy, the DFW Metroplex, as the Dallas/Fort Worth area is referred to locally, ranked at or near the top of all U.S. metros for business relocations and single-family housing construction, as well as other measures of economic vitality. In addition, the long-term outlook suggests the health of this market will continue for years to come.

5. Dallas/Fort Worth’s economic structure has two predominant characteristics that provide the foundation for its strength. First, Dallas/Fort Worth’s economy is well diversified, thereby minimizing the market risk against a downturn in any particular industry. Second, most of the Metroplex’s seven principal industries are well positioned for expansion over the next several years.

6. Dallas/Fort Worth's trucking industry is intimately related to rail and intermodal traffic and distribution activity. This multimodal relationship is a vital foundation for Dallas/Fort Worth's premier position in the U.S. distribution hierarchy. The trucking industry is enormous and significantly outstrips that of airborne goods. Additionally, the state deregulation of the trucking industry in 1995 has reduced the cost of doing business in Texas and consequently has spurred activity in Dallas/Fort Worth’s warehousing and distribution markets.

7. Dallas/Fort Worth is also well integrated into the country's rail system. Indeed, these linkages go far to explain the early economic history of the Metroplex and how the two cities came to dominate North Texas. Rail is becoming more important today than highway or air, which adds value to Dallas/Fort Worth's competitive edge in wholesale trade and distribution. In fact, DFW is home to the nation's largest railroad company, BNSF Railway.

8. Dallas/Fort Worth is known as the international "Gateway to the Americas" due to its outstanding location and access. International trade has expanded rapidly in the Metroplex as a result of the growth in air cargo, the vast trucking network served by Dallas, and the North American Free Trade Agreement (NAFTA). Mexico and Texas have a long history as major trading and business partners. NAFTA, whose initial provisions came into effect in 1994, has accelerated the trading relationship between the U.S. and Mexico by reducing tariffs and other barriers to trade. The Dallas/Fort Worth area has been a significant beneficiary of NAFTA. In 2008, Dallas/Fort Worth's total trade with Mexico reached over $751 million, an increase of 7.3% over 2007.

9. Dallas/Fort Worth is home to the regional office of the U.S. Department of Commerce, the district office of the U.S. Customs Service and a regional U.S. Export Assistance Center.

10. More specifically, the South Dallas industrial market has become a national player in distribution logistics and continues to see growth to support the increasing demand. Recent transactions in the area provide evidence that there is a drive of healthy activity and a real need for new projects. The South Dallas market should outperform other areas over the next few years as land becomes scarce in established

submarkets. The Allen Group anticipates that Southern Dallas County will continue to emerge as a major industrial hub.

11. The South Dallas region where DLH is located has an estimated 40-50,000 unemployed workers to provide a large, available and motivated labor pool.